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THE CITY OF BOZEMAN
P.O. BOX 1230
SOLID WASTE DIVISION

Senate Local Govt. Comm.
Exhibit No. 2
Date 2-9-2011
Bill No. SB 234
BOZEMAN, MONTANA 59711-1230
FAX (406) 587-3643

February 9, 2011

TO: 2011 Local Government Committee

RE: City of Bozeman Opposes SB 234 & SB 236

Dear Committee:

The City of Bozeman opposes these bills that attempt to ban competition for garbage service within the state of Montana. We urge you to consider these points when this bill is heard in the House.

SB 234

1. The five year rule Section 7-2-4736, MCA, was a good working piece of legislation in the 1970s. But today the continuation of monopoly jurisdictions is stifling to competition.
2. We would favor open competition and total elimination of the five year rule as opposed to the amendment as proposed in an effort to spur competition in our economy.
3. The Bozeman Solid Waste Collection Division competes directly with a private hauler within the city limits. The Division is an enterprise fund which takes no money from the general fund and operates on our earnings. We have a \$3,000,000 budget and employ 16 union teamsters.
4. As an enterprise fund, the money accrued and spent stays within the state of Montana.
5. Both businesses and residents have a choice of the type and quality of service they wish to employ.
6. The one-sized fits all mentality has never worked and never will.
7. What residents and businesses would choose is an opportunity to tailor their solid waste collection needs to their individual needs.
8. SB 234 also restricts the growth of municipal services.
9. The language in the proposed amendment is not clear and would require court action.

SB 236

The proposed amendment to Section 2.75-10-112 MCA "Powers and duties of local government" Sub. (2) (16) eliminates a Municipality or Solid Waste Management District's opportunity of providing new or innovative waste management systems. There is no reason to restrict the cost saving opportunities that may be beneficial to residents and businesses across Montana. Flow control is a traditional mechanism that is used to provide a critical mass to fund a progressive management tool that is for the public benefit. Waste management projects of any size require a floor level of thru put to fund the project. By eliminating the opportunity allowed by flow control it is unlikely that either the private or public sectors will have sufficient critical mass to fund a project. I would suggest that the language in (16) remain as is without the proposed amendment.